



Alberta Rental Housing State of Industry Report

April 28, 2026



ARLA
Alberta Residential Landlord
ASSOCIATION

The Voice of the Residential Rental Industry

Presented by:

 PIVOTAL RESEARCH Inc.™



Message from the Board



The Board of Directors of the Alberta Residential Landlord Association (ARLA), is pleased to present the **2026 State of the Rental Industry**.

Since 1994, ARLA has supported and strengthened Alberta's residential rental housing sector. Today, our membership represents more than 105,000 rental units across Edmonton and the surrounding region. We remain committed to advancing professional standards and supporting a well-functioning rental housing system.

This report reflects our commitment to ensuring the perspectives of rental housing providers are understood. ARLA continues to engage with municipal, provincial, and federal governments to advocate for fair, informed, and sustainable housing policy. To support evidence-based decision-making, ARLA produces data-driven research on key industry trends.

The 2026 edition was developed in partnership with Pivotal Research Inc, an independent Canadian market research firm, and builds on the 2024 edition to provide an updated view of current conditions, challenges, and opportunities.

We hope these insights serve as a valuable resource for our members, government partners, and the broader public.

— **Board of Directors**
Alberta Residential Landlord Association



State of the Industry

Alberta's rental market is transitioning from a period of rapid growth and tight conditions to a more balanced environment. A surge in new rental construction has expanded supply and increased tenant choice, slowing rent growth across the province. Moderating population growth and higher youth unemployment are easing demand pressures. While Alberta remains relatively affordable compared to other provinces, rising operating costs continue to challenge landlord profitability.



Supply growth is increasing competition. A sharp rise in purpose-built rentals and high-density development has expanded rental stock, increasing competition and tenant mobility.



Demand has moderated from recent peaks. Population growth has slowed since 2023, and higher youth unemployment is reducing new household formation. With demand growing more slowly than supply, rent growth is stabilizing and landlords face greater pressure to offer incentives.



Alberta remains relatively affordable. Rents remain moderate compared to other provinces, and rent-to-income levels are broadly aligned with national benchmarks, supporting tenant stability.



Rising costs are pressuring landlords. Operating costs, including property taxes, maintenance, and insurance, continue to rise, compressing margins. Mortgage delinquency rates remain elevated in Alberta, reflecting ongoing financial strain.



Growth is expected to moderate. As population growth slows and economic conditions remain uncertain, new development is expected to ease. Rent increases are likely to remain moderate, with landlords focusing on retention, cost control, and market positioning.

Housing and Policy Landscape – National Trends



Canada's rental market is beginning to ease following the tight conditions of 2021-2023. Increased purpose-built rental supply and slower renter household formation are reducing upward pressure on rents and contributing to more competitive market conditions.¹

Slowing Rent Growth and Increased Competition

National rent growth has moderated. Landlords are stabilizing rents, including for turnover units, and offering incentives to retain tenants and minimize vacancy risk.²

Supply Expansion and Increased Tenant Mobility

Higher vacancy rates and new supply have increased tenant mobility nationwide, creating a “filtering” effect as renters move into newer or higher-priced units that better meet their needs. Vacancies are no longer limited to newer, higher-priced units and are rising across most segments; however, demand for the most affordable units remains strong.¹

Federal Housing Initiatives

The federal government continues to prioritize housing supply through large-scale funding programs aimed at accelerating development and improving affordability:

- **Housing Accelerator Fund (HAF):** Supports municipalities in removing regulatory barriers, streamlining approvals, and reforming zoning to accelerate housing supply (\$4.44B), including \$535M allocated to 17 Alberta municipalities.³
- **Apartment Construction Loan Program (ACLP):** Provides low-cost, repayable financing to support purpose-built rental development (\$55B).⁴
- **Additional programs** support affordable and community housing supply, including the Cooperative Housing Development Program (\$1.5B), Affordable Housing Fund (\$14.6B), Canada Rental Protection Fund (\$1.47B), and Federal Community Housing Initiative (\$618.2M).^{5,6}



Policy Landscape – Edmonton

Spotlight



At the local level, the City of Edmonton has taken a proactive approach to accelerating housing supply, combining zoning reform, targeted funding, and streamlined approvals to increase density and support affordability.



Edmonton Affordable Housing Strategy – “A Home for Everyone”

The City of Edmonton’s 2023-2026 Affordable Housing Strategy outlines 50 actions aimed to increase affordable housing supply, strengthen housing supports, and improve public understanding of housing needs.

Since 2019, the City has contributed \$256M and leveraged \$1B from other orders of government to support the development of 5,597 new housing units. An additional 1,955 units have been renewed with support from the Canada Mortgage and Housing Corporation (CMHC), exceeding the City’s 10% affordable housing target.⁷

Zoning Reform

In 2023, Edmonton City Council eliminated exclusionary zoning and introduced a default allowance of up to eight residential units per lot to enable greater housing density.

Permitting trends indicate a shift toward infill and higher-density development, with most infill permits issued for multi-unit projects.⁸

Use of Federal Funding

The City received more than \$192M the HAF in 2024-2025 to accelerate housing development by streamlining permitting, reducing development costs, removing barriers to infill development, and supporting affordable housing development.⁹

Within one year of receiving HAF funding, the City issued 18,384 permits, representing 51% of its three-year target. This has positioned Edmonton as a leading performer among HAF recipients.¹⁰



Population and Migration Trends

Alberta remains one of the fastest growing provinces in Canada, with shifting migration and employment trends now softening rental demand and rebalancing the market. Landlords are adjusting pricing and offering incentives to remain competitive as growth moderates and demand evolves.

Alberta's Population Has Reached Record Highs

Alberta's population surpassed 5M in 2025, increasing 2.5% year-over-year and remaining the fastest growing province in Canada. Edmonton (5) and Calgary (4) rank among the country's largest metropolitan areas, following Toronto, Montreal and Vancouver.¹¹

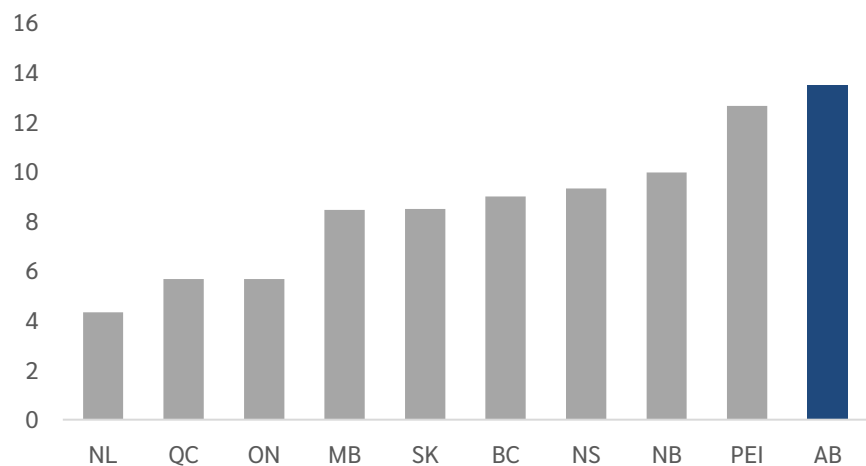
Migration is Moderating

Alberta continues to lead Canada in interprovincial migration for the third consecutive year. However, changes to immigration policies have slowed international arrivals and reduced the number of study and work permit holders, easing population inflows and slowing household formation.¹²

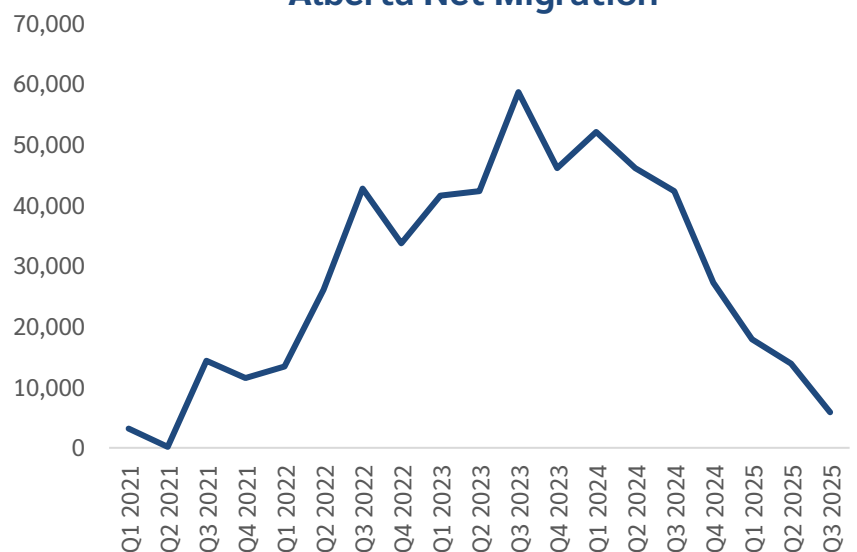
Youth Unemployment is Limiting Housing Momentum

Job growth has not kept pace with a growing labour force. Rising unemployment is weakening consumer confidence and reducing borrowing capacity, while delaying homeownership and slowing overall housing momentum.¹³

5-year population Change (% change)



Alberta Net Migration



Rental Supply and Market Impacts

In 2025, Alberta experienced an historic surge in rental construction, with nearly 20,000 rental starts, representing a 37% increase from 2024.¹⁴ This expansion has increased availability and tenant choice, intensifying competition and prompting landlords to moderate rent increases and offer incentives to attract and retain tenants.

Policy-Driven Rental Growth in Edmonton

Edmonton has seen strong rental development, supported in part by infill activity, highlighting the densification impacts of zoning and permitting reforms. Between 2021 and 2024, over 11,100 apartments, mixed use, secondary and backyard units, were added through infill.¹⁵

Affordability Impacts of New Supply

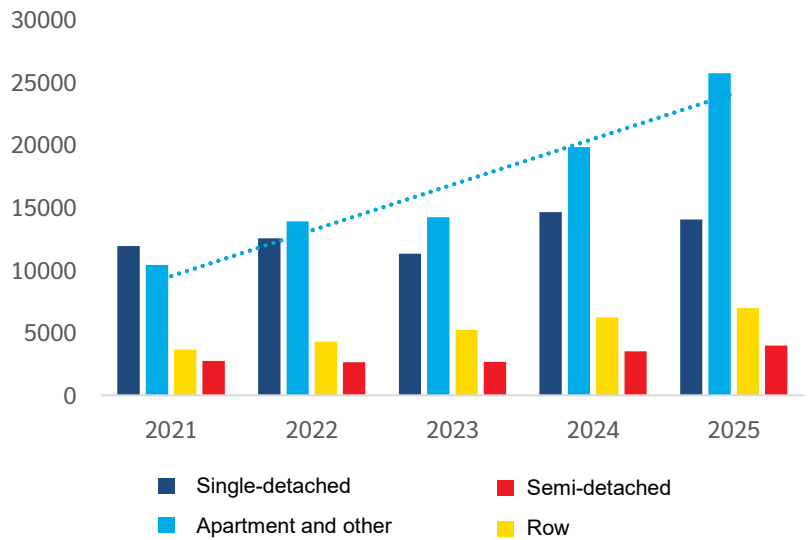
New supply is contributing to improved availability across the market. In Edmonton, the availability of new, higher-priced units allows residents of less expensive units to upgrade when able. This ‘filtering effect’ means vacancies in new, higher-priced buildings generate vacancies in lower-rent areas 37% of the time.

In Calgary, new construction has contributed to rent spillovers, placing downward pressure on rents in nearby buildings. This has resulted in 2–3% in older buildings.¹⁶

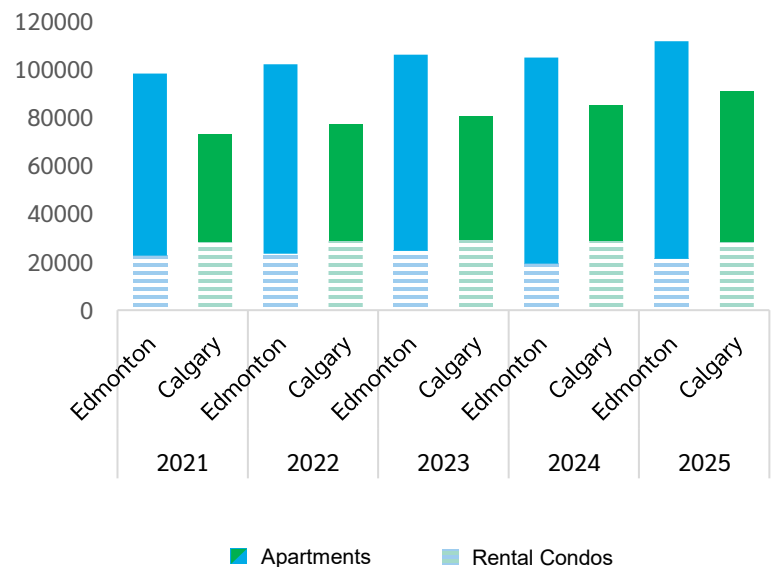
Looking Ahead

Housing starts are expected to decline by 27% in 2026 from the 2025 peak, with construction moderating over the medium term. Elevated supply will continue to support competitive conditions as new units come online in the coming years.¹⁷

New Builds by Unit Type (Alberta)



CMHC Rental Universe (Edmonton & Calgary)

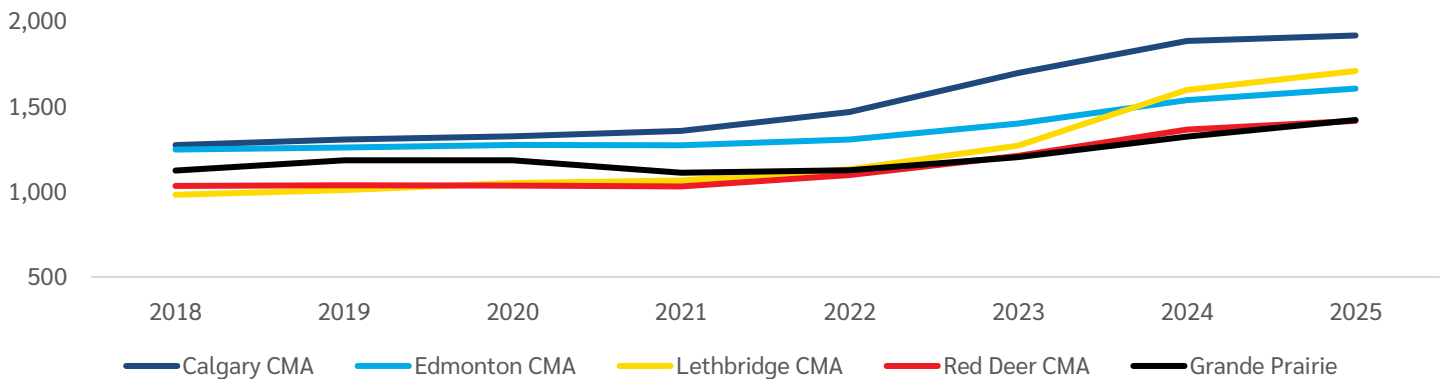


Source: CMHC. Table 34-10-0151-01 Housing starts, under construction, and completions in all centres of 50,000 and over.
 Source: CMHC. Rental Market Survey Data Tables.

Purpose-Built Rental Market Trends

Purpose-built rental rates across Alberta have risen steadily over the past five years and are now beginning to level off in several municipalities. Edmonton and Calgary continue to lead in absolute rent levels, while smaller markets such as Lethbridge, Red Deer, and Grande Prairie have seen stronger percentage growth from a lower base. Vacancies remain stable overall but are expected to rise in Edmonton and Calgary through 2026–2027, increasing leasing challenges.¹⁸

2-Bed Purpose-Built Apartment Rents (Select Municipalities, CMHC Rental Market Survey)



Note: Includes purpose-built rental apartments only; excludes condominium rental units.

Source: CMHC. Rental Market Survey Data Tables.

Existing Units Are Moderating Rent Growth

Newer, higher-priced units are pushing average rents upward. While 2-bed purpose built rental rates rose by 4% overall between 2024 and 2025, rents for existing two-bedroom units saw a 2.4% increase.¹⁹

Edmonton

While rents increased modestly, purpose-built vacancy rose to 3.8% as new supply outpaced demand.¹⁹

Calgary

Vacancy remained relatively stable at 5%, reflecting strong demand alongside increased supply. Higher vacancies were concentrated in areas with new developments.¹⁹

Rural Alberta

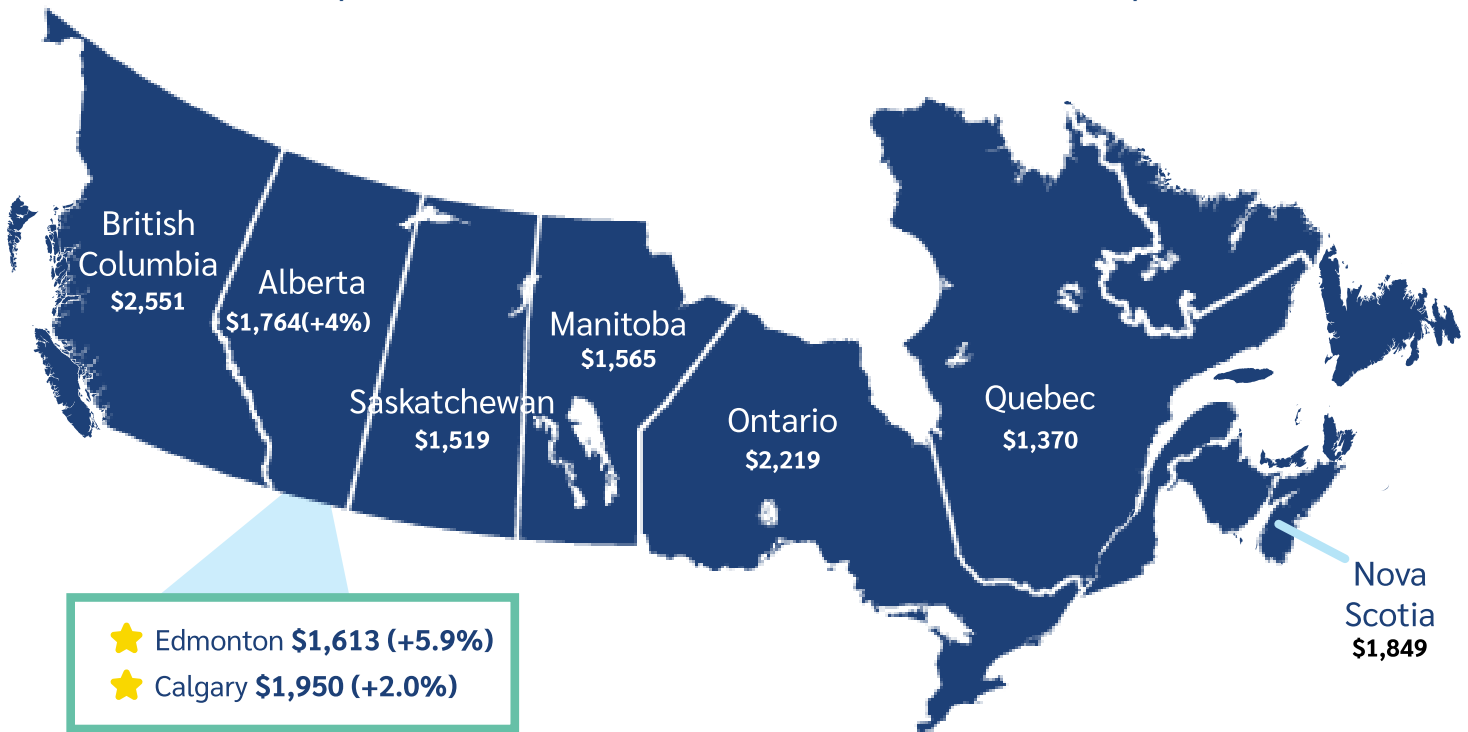
Rural vacancy rates have declined significantly since 2021. Many rural markets are experiencing persistently tight housing conditions.²⁰

National Rental Comparators

Alberta's average two-bedroom rent remains below \$1,800, lower than high-cost provinces BC, Ontario, and Nova Scotia.¹⁹ Rent-to-income ratios in Edmonton (12.5%) and Calgary (13.7%) also remain below national benchmarks, including Toronto (16.4%) and Vancouver (17.8%), positioning Alberta as a relatively affordable market.²¹ Recent data indicate rents are now stabilizing, with declines broadly in line with national trends.

2-Bed Rental Market Rates by Province (October 2025)

Blended apartments and condominium rents (major municipalities)



*CMA-Based Blended Average Rents are derived based on a weighted average of available CMHC rental rate data from the Rental Market Survey (RMS) and Condominium Apartment Survey (CAS). As CAS data are only available for select census metropolitan areas, rental rate averages are not directly comparable to provincial averages.

Source: Source: CMHC. Rental Market Survey Data Tables



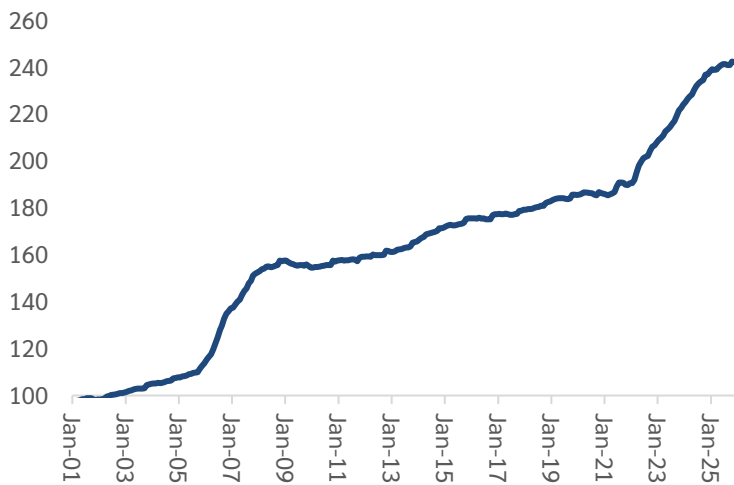
Asking Rents Are Stabilizing Across Alberta

As of March 2026, average two-bedroom asking rents for apartments and condos were \$1,669 in Edmonton and \$1,973 in Calgary. Between 2025 and 2026, 2-bed asking rents in Alberta fell by 4%, closely tracking national declines (Canada: -41%), with Calgary experiencing a larger decrease of approximately 5%.²²

Ownership Costs and Rental Pressures

In many cases, Ownership costs in Alberta exceed rental income, with the average two-bedroom rent (\$1,764) remaining below estimated ownership costs of approximately \$2,180*. The cost of home ownership has increased sharply over time, continuing to create affordability pressures for many households.

Owned Accommodation Cost



Rising Ownership Costs Are Driving Rental Pressure

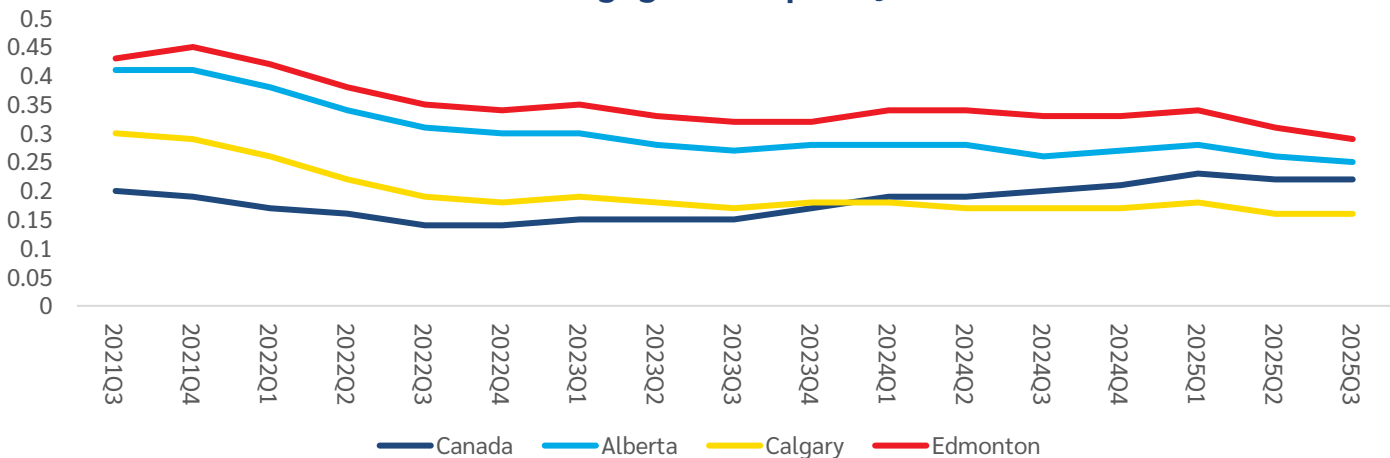
Ownership costs have increased sharply, particularly since 2021. Higher purchase prices are pushing potential buyers into the rental market, while increasing acquisition costs are contributing to upward pressure on rents.²⁷

Source: Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted



Mortgage Affordability - Mortgage delinquency rates have declined from pandemic-era highs; however, Alberta remains above the national average. In Edmonton, both current and five-year averages exceed national levels, underscoring persistent affordability challenges.²⁸

Mortgage Delinquency Rates



Source: CMHC. Mortgage Delinquency Rate, Canada Provinces and CMAs

*Average cost estimate includes property tax, maintenance fee, insurance, and in-suite maintenance for \$217,000 rental condo in Edmonton. ^{23 24 25 26}

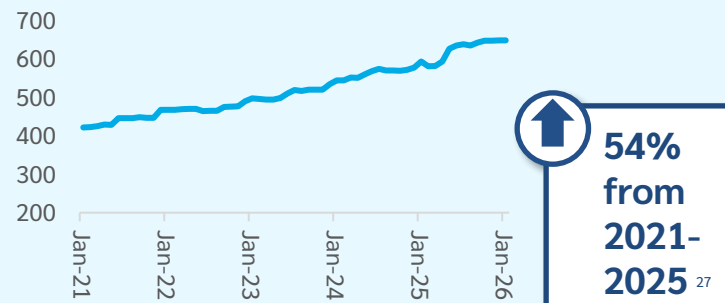
Rising Costs Facing Alberta Landlords

Rising operating costs driven by increases in insurance, utilities, maintenance, and taxes are placing growing financial pressure on Alberta landlords.

Increasing Insurance Premiums

Insurance premiums in Alberta have outpaced national trends, rising 54% over five years, including a 9% increase in 2025.²⁹

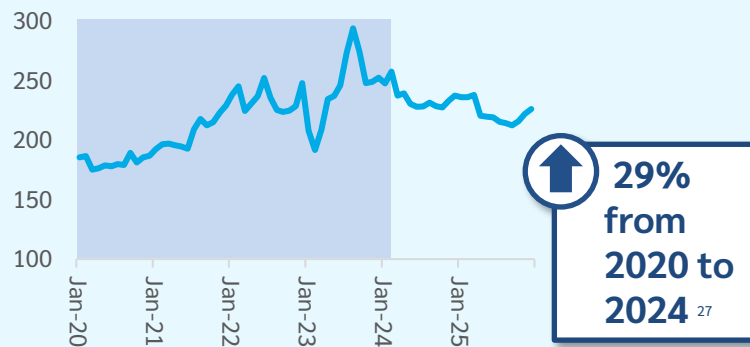
Homeowners Home and Mortgage Insurance (CPI)



Unpredictable Utility Costs

Yearly average utility costs surged between 2021 and 2024, driven by rising energy inputs, and remain volatile despite easing in 2025.³⁰

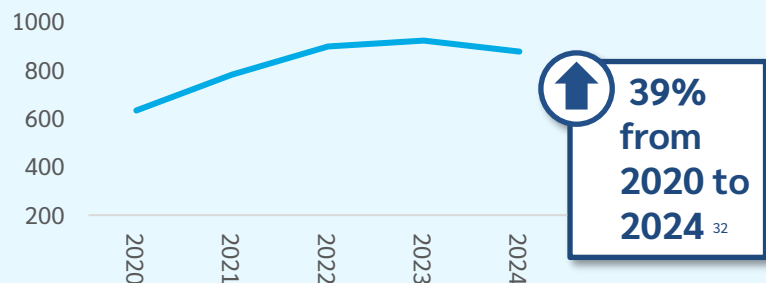
Water, Fuel, and Electricity (CPI)



Higher Maintenance and Repair Costs

Maintenance and repair costs have increased due to rising material costs and labour shortages. In 2025, costs saw additional upward pressure as a result of tariff uncertainty.³¹

Total Landlord and Tenant Occupied Maintenance and Repair Expenditures (\$1,000,000)



Source: Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted

Source: Statistics Canada. Table 34-10-0095-01 Maintenance and repair expenditures in housing (x 1,000,000)

Additional Cost Pressures

Rising property taxes and increased use of tenant incentives are adding new layers of financial pressure for landlords, beyond core operating costs..

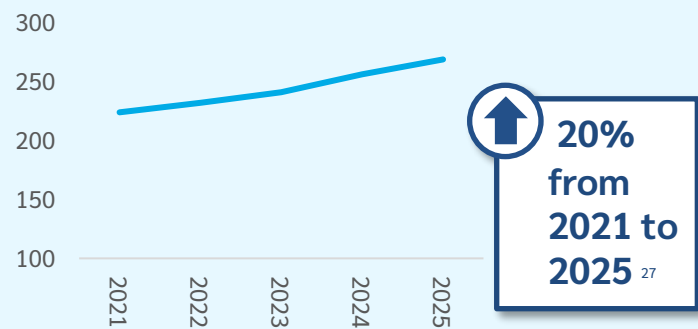
Property Tax Increases

Municipal property taxes continue to increase across Alberta, with Edmonton rising 5.7% in 2025 and expected to increase further in 2026.

High-density, non-condo properties in Edmonton are taxed differently than low-density homes, resulting in higher effective tax rates for these property types.

Provincial taxes are also contributing to rising costs, increasing by 14% in 2025 with additional increases expected.^{23 33 34}

Property Taxes and Other Special Charges (CPI)



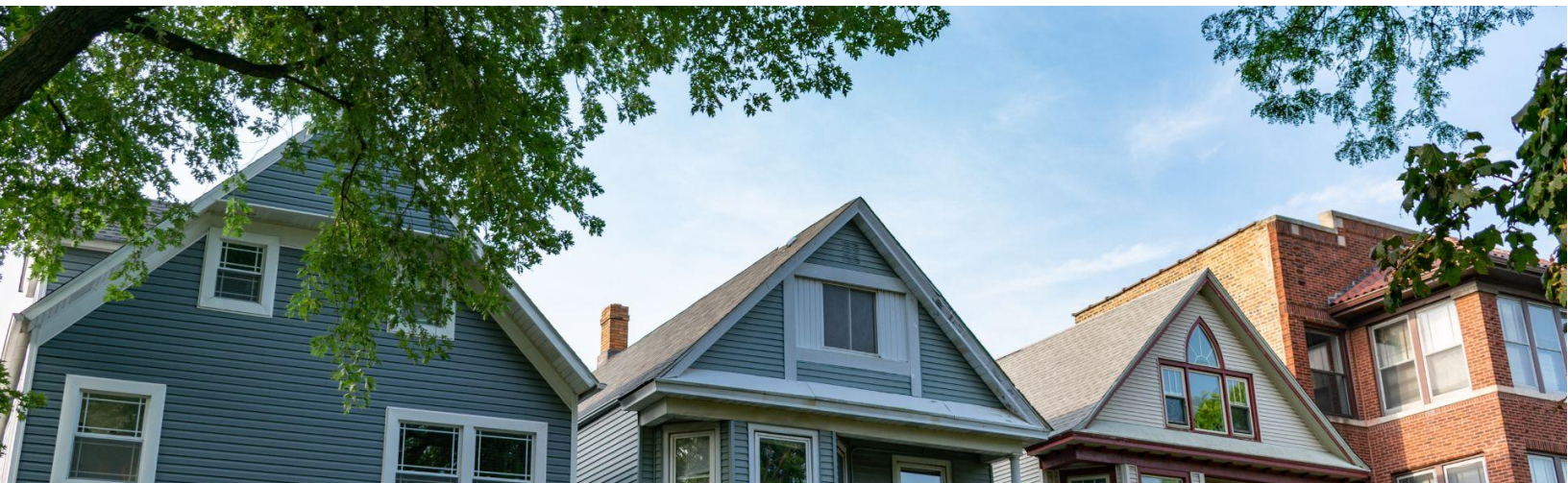
**Smaller properties and
condo buildings pay
\$959** per \$100K



**Larger properties pay
\$1,024.06** per \$100K
(Edmonton)²³

Financial Incentives as an Added Cost

In response to rising vacancies and competition, landlords are increasingly offering financial incentives to attract and retain tenants, adding further pressure on operating margins.³⁵



Affordable Housing Pressures in Alberta

Affordable housing demand in Alberta is rising, particularly in major urban centres, with waitlists growing as supply struggles to keep pace. In Edmonton, 10,112 households are waiting for affordable housing, while in Calgary, 7,729 households are on the waitlist.³⁶ Expanding purpose-built affordable housing can improve stability and reduce administrative pressure for landlords.

Affordable Housing Shortage

Alberta faces a shortage of affordable housing, with 0.82 units per 100 people, well below the national average of 1.4.³⁷

Housing Need and Urban Pressure

In 2023, 10.8% of Albertans were in core housing need, with slightly higher rates in major urban centres including Edmonton and Calgary. These figures are generally in line with the national rate of 11.2%.³⁸

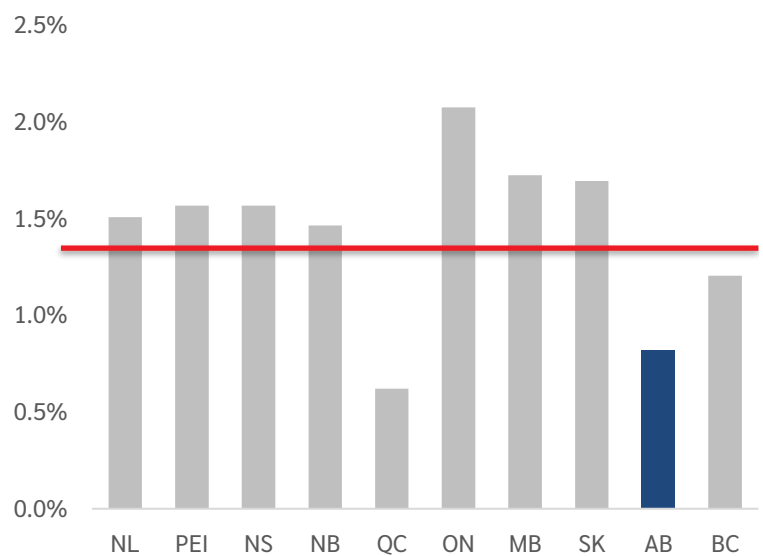
Building and Maintaining Social Housing Stock

Some advocates argue that Alberta is not doing enough to maintain and expand social housing.³⁸ Alberta received a D+ on the 'More and Better Housing' report card, which cited limited support for the supply of sustainable non-market housing.⁴⁰

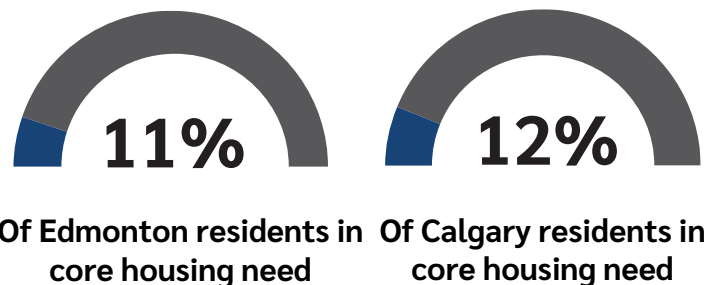
Expected Improvements

The province is accelerating development through the federal Affordable Housing Partnership Program (AHPP), investing over \$433M since 2022 to support more than 4,500 new affordable units.⁴¹

Affordable Housing Units/Pop (2024)



Core Housing Need (2023)



Key Takeaways



Market conditions are shifting in favour of renters

Population growth remains relatively strong, but slower migration and rising youth unemployment are reducing household formation. Combined with record supply growth, this is increasing competition and putting downward pressure on rent growth.



Rising costs are squeezing landlord margins

Rents often remain below ownership costs, creating negative rental margins. At the same time, rising expenses are increasing operating costs, putting pressure on profitability and contributing to upward pressure on rents.



Rent growth is slowing in major markets

In Edmonton and Calgary, rent growth has moderated, with recent data showing flat or declining asking rents. Gradual increases may continue, but rising vacancy rates are expected to keep growth constrained.



Affordable housing supply remains constrained

Despite increased investment, affordable housing supply remains constrained, with shortages and aging stock continuing to push demand into the private rental market.



Older units remain critical to affordability

As renters move into newer units, older properties may see rising vacancies and downward pricing pressure, requiring adjustments or reinvestment to remain competitive.



Suite 700, 10339 – 124 Street NW
Edmonton, AB T5N 3W1

Contact information

E: dmelhem@pivotalresearch.ca

P: 780-421-1199 X312



The Voice of the Residential Rental Industry

ARLA delivers significant value to members by ensuring they remain informed on government legislation, emerging market trends, and operational best practices. We also provide meaningful networking, training, and professional development opportunities to support excellence within the landlord community.

OUR MISSION

To represent member interests and provide education for the betterment of the Residential Rental Industry.

OUR VISION

To be the collective voice of the Residential Rental Community for our members.

OUR VALUES

To promote the positive contributions of our Association and be the go-to for every Landlord and Service Provider.



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